

**ASX RELEASE**
**CYG – H1 FY24 Trading Update**
**16th January 2024**

Coventry Group Ltd (ASX: CYG) announced today an update on the Group’s trading.

H1 FY24 Group sales of \$185.3m, up +5.4% on the prior year and unaudited EBITDA<sup>1</sup> of \$9.8m, up +18.1% on the prior year.

Robert Bulluss, Group CEO and Managing Director of Coventry Group said, “The Group delivered solid H1 FY24 sales and unaudited EBITDA<sup>1</sup> growth. Initiatives to grow EBITDA<sup>1</sup> % to Sales to 10% in the medium term have delivered positive results. These buy-side and sell-side initiatives were implemented early in the financial year. The run-rate from these initiatives continued to improve in the December quarter with Q2 EBITDA<sup>1</sup> up +28.9% on the pcp.

Demand remains robust in our primary end markets in Australia (mining and resources, infrastructure, commercial construction and industrial). The New Zealand economy has weakened due to the recessionary environment and this is having a short term negative impact on our Konnect and Artia New Zealand operations.

Overall, our strategy based on specialisation and service excellence is continuing to be resilient.”

**Note 1: All references to EBITDA are to unaudited Pre AASB16 EBITDA before Significant Items**

**Sales and unaudited EBITDA<sup>1</sup> growth**

Percentage sales and unaudited EBITDA<sup>1</sup> growth change when compared with pcp. is shown below:

Segment	Q1 FY24 actual (A\$m)	pcp growth (%)	Q2 FY24 actual (A\$m)	pcp growth (%)	H1 FY24 actual (A\$m)	pcp growth (%)
Trade Distribution	56.4	+3.1	51.3	+1.3	107.7	+2.2
Fluid Systems	38.2	+10.8	39.4	+9.2	77.6	+10.0
<b>Consolidated Group Sales</b>	<b>94.6</b>	<b>+6.1</b>	<b>90.7</b>	<b>+4.6</b>	<b>185.3</b>	<b>+5.4</b>
<b>Consolidated Group Unaudited EBITDA<sup>1</sup></b>	<b>5.4</b>	<b>+10.8</b>	<b>4.4</b>	<b>+28.9</b>	<b>9.8</b>	<b>+18.1</b>

**ERP upgrade project**

The ERP upgrade continues to progress broadly to plan, schedule and budget.

**Outlook**

The Group operates in multi-billion-dollar fragmented markets and has very modest market shares. There are clear plans in place to continue to increase market share via new branch openings, branch refurbishments, business development, product range expansion and an enhanced focus on sales and marketing.

The Board and management are committed to leveraging the scale benefits of the platform established over recent years in all parts of our business. In particular, our goal is to achieve best in-class trade distribution margins over time and to that end we are implementing a range of identified improvement opportunities.

Given continuing market uncertainty we will not be providing FY24 guidance but will continue to provide quarterly trading updates to the market.

Authorised for release by the Board of Directors of Coventry Group Limited.

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